GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA

UNSTARRED QUESTION NO:1687
ANSWERED ON:02.08.2000
CLOSING OF PROJECTS
RAGHUNATH JHA

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the Government have taken a decision to close down some projects after spending huge amount on them;

(b) if so, the details thereof and reasons therefor;

(c) the present status of those projects; and

(d) the manner in which the Government propose to recover the amount already incurred on them?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS & PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE)

(a) As on 31.3.2000, 52 projects have been kept in the list of projects to be frozen/dropped ultimately. Of these, 3 projects have been sold out to the private sector; one project has been mechanically completed but closed due to technology failure; 3 projects have been replaced; 2 projects have been completed and 6 have been leased. The total original cost of these projects is Rs.4320.25 crores and the expenditure incurred till date is Rs.1,034.54 crores.

(b) & (c) Funds constraint is the main reason for projects, particularly in the infrastructure sector, such as, Railways and Surface Transport, being frozen / dropped or given low priority for the time being. However, some of these projects, particularly in the Tele-communication Sector, are being executed on leased basis. Some of the frozen projects have also become unviable due mainly to market conditions or low demand for their products and services. They have been put on the frozen list. These may not be revived.

(d) The expenditure incurred on many of the projects is a small portion of the project cost. Some projects are being disposed to recover the expenditure incurred. The frozen projects would be taken up after ensuring availability of funds and their priority.